

IN THE CHANCERY COURT FOR LEWIS COUNTY  
AT HOHENWALD, TENNESSEE

FILED  
AT 11:50 O'CLOCK A.M.

AUG 08 2006

IN RE:

SENTINEL TRUST COMPANY

JANET WILLIAMS, CLERK & MASTER  
NO. 4781 BY Selena Wix

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ACTING COMMISSIONER-IN-POSSESSION'S AND SENTINEL TRUST RECEIVER'S  
NOTICE OF FILING OF FINANCIAL INFORMATION AS OF JUNE 30, 2006

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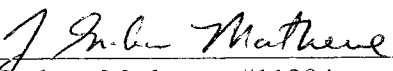
Please take notice of the filing by the Acting Commissioner-in-Possession and the Sentinel Trust Receiver of the following financial information relating to this Receivership proceeding:

- a) Post-Receivership History of Sentinel Trust SunTrust Bank Account #4049233 ("Pooled Fiduciary Account") as of June 30, 2006;
- b) Sentinel Trust Receivership Schedule of Revenue, Expenses and Net Assets for Period May 18, 2004 through June 30, 2006 Detailing First Two Quarters of 2006; and
- c) Sentinel Trust Company, in Receivership's Post- May 18, 2004 Fiduciary Bank Account. [Note: amount noted as being held on behalf of Niceville Bond Issue reflects the proceeds from the sale of the Niceville Facility which will be distributed upon motion and order of Court.]

Respectfully submitted,

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Janet M. Kleinfelter  
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Counsel for Acting Commissioner Greg Gonzales

  
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*Counsel for Receivership Management, Inc.,  
Receiver of Sentinel Trust Company*

**CERTIFICATE OF SERVICE**

This is to certify that on August 8<sup>th</sup>, 2006 a copy of the foregoing Notice has been sent by First Class U.S. Mail, postage paid, or by facsimile transmission as noted, to:

Donald Schwendimann  
12 East Fourth Avenue  
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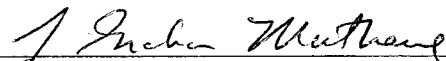
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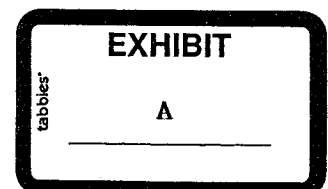
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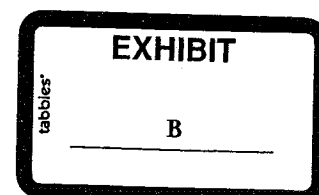
POST RECEIVERSHIP HISTORY OF SENTINEL TRUST  
 SUNTRUST FIDUCIARY BANK ACCOUNT #4049233  
 (POOLED FIDUCIARY ACCOUNT)  
 AS OF JUNE 30, 2006

		BANK BALANCE
BALANCE IN ACCOUNT AT INSTITUTION OF RECEIVERSHIP (05-18-04)		\$ 2,472,928.03
PRE 05-18-04 FUNDS USED IN JUNE 2004 DISTRIBUTION		
SEE ORDER E.O.D. 05/28/04		
025 JACKSONVILLE	45,554.91	
074 CARROLL COUNTY	141,793.75	
147 CHATTANOOGA	90,426.15	
154 WAYNE COUNTY	108,576.25	
168 CITY OF HIAWTHA	107,431.25	
173 WAYNE COUNTY	105,310.00	
229 HUNTSVILLE UTILITY	41,553.12	
231 CITY OF NICEVILLE	39,258.34	
		(679,903.77)
		<u>1,793,024.26</u>
POST 05-18-04 ACTIVITY		
SWEEP INTEREST RECEIVED	181,749.82	
LESS TRANSFERRED TO POST 5-18 ACCOUNT	(2,465.86)	179,283.96
PRE 05-18-04 CHECKS PAID BY BANK		(128,718.84)
EXPENSES CHARGED BY BANK		(668.44)
TRANSFER FROM POST 5-18 BANK ACCOUNT		1,000.00
ALL OTHER		0.69
TRANSFER WAYNE COUNTY FUNDS TO POST ACCT		(113.75)
TRANSFER OF FUNDS RESULTING FROM CLOSING SENTINEL		41,765.12
UNION PLANTERS BANK TRUST ACCT 3601966645		
RECEIPTS FROM REALIZING UPON DEFAULTED BOND COLLATERAL:		
REIMBURSE FOR AMOUNTS TAKEN FROM ACCOUNT		
BY FORMER SENTINEL TRUST MANAGEMENT		
082 LEE COUNTY (SEE ORDER E.O.D. 12/15/04)	357,024.40	
128 TARRANT CO (SEE ORDER E.O.D. 05/23/05)	390,806.52	
125 HERNANDO (SEE ORDER E.O.D. 05/23/05)	444,747.29	
155 FT PIERCE (SEE ORDER E.O.D. 05/23/05)	130,468.89	
172 PINE BLUFF ARK (SEE ORDER E.O.D. 08/29/05)	304,174.03	
		1,627,221.13
AMOUNTS FURTHER DEPOSITED FROM ACCOUNTS		315,486.09
REGARDING TARRANT COUNTY, HERNANDO COUNTY		
AND FORT PIERCE (SEE ORDER E.O.D. 07/07/05)		
BALANCE IN ACCOUNT 06-30-06		<u><u>\$ 3,828,280.22</u></u>



SENTINEL TRUST RECEIVERSHIP  
SCHEDULE OF REVENUE, EXPENSES AND NET ASSETS  
FOR THE PERIOD 05-18-04 / 06-30-06 DETAILING THE FIRST TWO QUARTERS OF 2006

REVENUE	5/18/2004 12/31/2005	1/1/2006 3/31/2006	4/1/2006 6/30/2006	5/18/2004 6/30/2006
4200-ADMIN FEES INCOME (NOTE 1)	336,803.57			336,803.57
4250-FEES FROM DEFAULTS (NOTE 2)	1,279,782.93			1,279,782.93
4800-SALE OF BELLEVUE BLDG 7-14-05 (NOTE 3)	294,160.44			294,160.44
4800-LIQUIDATE HILLIARD LYONS ACCT	195,127.22			195,127.22
4120-INTEREST INCOME	6,428.37	2,577.63	2,087.25	11,093.25
TOTAL REVENUE	2,112,302.53	2,577.63	2,087.25	2,116,967.41
EXPENSES				
FEES				
5300-INDEPENDENT FIDUCIARY FEES	203,527.00	21,188.75	15,875.75	240,591.50
5400-LEGAL FEES	311,314.22	50,834.11	54,183.22	416,331.55
5610-CONTRACT LABOR	216,087.87	14,650.50	9,021.00	239,759.37
TOTAL FEES	730,929.09	86,673.36	79,079.97	896,682.42
OTHER EXPENSES:				
5690-RMI OVERHEAD REIMBUREMENT	25,467.18	2,813.57	2,075.15	30,355.90
5697-OTHER FEES				
TEMPORARY EMPLOYEES	37,309.69			37,309.69
OTHER (NOTE 5)	53,341.51	4,536.68	1,912.10	59,790.29
5750-SALARIES	168,026.47			168,026.47
5775-EMPLOYER PAYROLL TAXES	12,204.96			12,204.96
5810-HEALTH INSURANCE	10,747.91			10,747.91
5930-TN TAXES & FEES (NOTE 6)	10,798.20	16,902.36	1,365.00	29,065.56
6060-RENT	12,000.00	3,000.00	3,000.00	18,000.00
6120-LOANS ON DEFAULTS NOT EXPECTED TO BE RECOVERED (NOTE 4)	207,807.62	58,860.83	(203,711.63)	62,956.82
6190-MAINTENANCE				
ALARM SYSTEM	2,008.67		328.16	2,336.83
BUILDING	8,090.45		275.00	8,365.45
EQUIP	9,154.22		2,436.29	11,590.51
POSTAGE MACHINE	1,309.82			1,309.82
CLEANING	3,745.61			3,745.61
6210-POSTAGE & COPIES	7,852.79	657.16	221.66	8,731.61
6215-OVERNIGHT & COURIER	4,059.10	78.00	172.92	4,310.02
6220-TELEPHONE	39,353.44	770.18	347.44	40,471.06
6230-OFFICE SUPPLIES	5,737.60			5,737.60
6240-PRINTING	4,949.71	86.44		5,036.15
6260-STORAGE	9,253.36	2,265.00	2,265.00	13,783.36
6270-MOVING EXPENSE	1,825.00			1,825.00
6290-UTILITIES				
ELECTRIC	15,640.22	1,143.21	1,391.42	18,174.85
WATER SEWER GAS	3,418.67	400.42	121.64	3,940.73
6320-BANK CHARGES	132.41	10.00		142.41
6330-COURT COSTS	1,395.50			1,395.50
6335-NEWSPAPER NOTICES	2,254.25	2,177.68		4,431.93
6340-INSURANCE (NOTE 7)	17,668.00		(1,508.00)	16,160.00
6350-TRAVEL	5,941.73			5,941.73
6350-TRAVEL RMI	13,030.69			13,030.69
6390-IRS AND F&E PENALTY	1,969.08	101.02		2,070.10
6398-PRE 5-17-04 CKS PAID	3,253.78			3,253.78
6399-MISC EXP	907.57			907.57
TOTAL OTHER EXPENSES	700,655.21	93,802.55	(189,307.85)	605,149.91
TOTAL EXPENSES	1,431,584.30	180,475.91	(110,227.88)	1,501,832.33
NET REVENUE LESS EXPENSES	680,718.23	(177,898.28)	112,315.13	615,135.08
SCHEDULE OF CHANGE IN NET ASSETS				
NET CASH 05-18-04	147,854.76			147,854.76
NET REVENUE LESS EXPENSES	680,718.23	(177,898.28)	112,315.13	615,135.08
NET ASSETS	828,572.99			762,989.84



SENTINEL TRUST RECEIVERSHIP  
NOTES TO SCHEDULE OF REVENUE, EXPENSES AND NET ASSETS  
FOR THE PERIOD 05-18-04 / 06-30-06

1. ACCOUNT 4200 - ADMIN FEES INCOME - REVENUE FROM ADMINISTRATION OF THE MONTHLY DISTRIBUTION OF BOND INTEREST AND PRINCIPAL PAYMENTS FROM 05-18-04. \$ 336,803.57

2. ACCOUNT 4250 - FEES FROM DEFAULTS- ADMINISTRATION FEES RELATED TO DEFAULTED ISSUES. ITEMIZATION OF AMOUNT IS SHOWN BELOW:

082 LEE COUNTY (SEE ORDER E.O.D. 12/15/04)	\$ 297,841.17
088 MAPLECREST (SEE ORDER E.O.D. 12/15/04)	25,041.88
096 WASHINGTON COUNTY GREENVILLE (SEE ORDER E.O.D 12/15/04)	173,170.30
117 HOUSTON COUNTY (SEE ORDER E.O.D 08/01/04)	30,550.00
125 HERNANDO (SEE ORDER E.O.D. 05/23/05)	243,071.01
128 TARRANT CO (SEE ORDER E.O.D. 05/23/05)	310,494.06
172 PINE BLUFF ARK (SEE ORDER E.O.D. 08/29/05)	7,937.50
155 FT PIERCE (SEE ORDER E.O.D. 05/23/05)	191,677.01
	<u>\$ 1,279,782.93</u>

3 ACCOUNT 4800 - SALE OF BELLEVUE BUILDING \$ 294,160.44  
THE SALE OF THE BELLEVUE OFFICE WAS CLOSED AND FUNDS RECEIVED ON 07-14-05.

4. ACCOUNT 6120 - LOANS ON DEFAULTS NOT EXPECTED TO BE RECOVERED \$ 62,956.82

SINCE 05-18-04 SENTINEL TRUST RECEIVERSHIP HAS LOANED MONEY (FROM REVENUE IT HAS EARNED) TO FUND THE MAINTENANCE OF ACTIONS AND OTHER MATTERS RELATED TO CERTAIN DEFAULTED BOND ISSUES.

WHEN THE COLLATERAL IS SOLD THE LOAN (PLUS INTEREST @ 18% PER YEAR) WILL BE REPAYED TO SENTINEL TRUST RECEIVERSHIP.

IT IS POSSIBLE THAT THE SALE OF COLLATERAL PLUS RECOVERY FROM ANY OTHER SOURCE WILL NOT BE SUFFICIENT TO REPAY THE LOAN. IN THIS SITUATION, RECOVERY OF THE LOAN WILL BE MADE FROM THE PRE 5-18-04 PROOF OF CLAIMS PROCEEDS OF THE BOND ISSURER TO THE EXTENT POSSIBLE.

IF RECOVERY OF THE LOAN FROM ANY OF THE ABOVE SOURCES IS NOT POSSIBLE, THE NET AMOUNT UNRECOVERABLE WILL BE AN EXPENSE OF SENTINEL TRUST RECEIVERSHIP.

THE AMOUNT IN ACCOUNT 6120, \$62,956.82, REPRESENTS THE ESTIMATE AS OF 06-30-06 THAT MAY NOT BE RECOVERED.

SENTINEL TRUST RECEIVERSHIP  
NOTES TO SCHEDULE OF REVENUE, EXPENSES AND NET ASSETS  
FOR THE PERIOD 05-18-04 / 06-30-06

5. ACCOUNT 5697 - OTHER CONTRACT LABOR

05/27/04 PAYMENT TO BOBBY ANDERSON FOR ASSISTANCE IN 1ST POST RECEIVERSHIP PAYMENT OF PRINCIPAL AND INTEREST.	\$	5,000.00
06/25/04 PAYMENT TO BYTES OF KNOWLEDGE FOR BACKUP OF BELLEVUE COMPUTERS.		1,343.71
02/03/05 & 01/31/05 PAYMENTS FOR COMPUTER SETUP AT BRENTWOOD LOCATION		1,889.16
12/22/05 PAYMENT TO TN DEPT OF FINANCIAL INSTITUTIONS FOR TRAVEL AND EXPENSES THRU JUNE 2005		41,190.52
02/09/06 PAYMENT TO INTEGRA REALTY RESOURCES FOR APPRAISAL ON HOHENWALD PROPERTY.		4,000.00
06/02/06 TN BUREAU OF INVESTIGATION - COPYING AND RESTORING HARD DRIVES		957.90
ALL OTHER (PRIMARILY INSPECTION AND MAINTENANCE OF HOHENWALD BUILDING AFTER MOVE TO BRENTWOOD LOCATION).		5,409.00
	<u>\$</u>	<u>59,790.29</u>

6. ACCOUNT 5930 - TN TAXES & FEES

2004 TN FRANCHISE & EXCISE TAX	\$	1,976.00
2004 PROPERTY TAXES ON HOHLENWALD BUILDING		5,061.11
2005 PROPERTY TAXES ON HOHLENWALD BUILDING		3,761.09
TN SECRETARY OF STATE - CORPORATION ANNUAL RPT		20.00
TN DEPT OF REVENUE - 2005 F&E ESTIMATED TAX		1,365.00
2004 LEWIS COUNTY TAXES ON HOHLENWALD BUILDING		9,179.52
2005 LEWIS COUNTY TAXES ON HOHLENWALD BUILDING		7,702.84
	<u>\$</u>	<u>29,065.56</u>

7. ACCOUNT 6340 - INSURANCE

11/18/04 PAYMENT TO ZENITH INSURANCE FOR WORKERS COMP DEPOSIT 12-05-04 / 12-05-05	\$	254.00
11/30/04 PAYMENT TO FRIDRICH PINSON FOR INSURANCE THRU 12-05-05		9,577.00
12/02/05 PAYMENT TO FRIDRICH PINSON FOR INSURANCE THRU 12-05-06		9,053.00
04/26/05 REFUND CREDIT RECEIVED ON THE WORKERS COMPENSATION INSURANCE IN PLACE WHEN THE RECEIVERSHIP WAS ESTABLISHED.		(1,216.00)
06/23/06 REFUND ON INSURANCE ON SAWYER BROWN PROPERTY		(1,508.00)
	<u>\$</u>	<u>16,160.00</u>

SENTINEL TRUST COMPANY, IN RECEIVERSHIP  
POST 05-18-04 FIDUCIARY ACCOUNT (BANK ACCOUNT 1000022547359)

	BANK BALANCE
BALANCE IN ACCOUNT 05-18-04	\$ 1,000.00
TRANSFER BALANCE TO PRE 5-18-04 BANK ACCT (SUNTRUST POOLED FIDUCIARY ACCOUNT)	(1,000.00)

SETTLEMENTS AFTER 05-18-04	AMOUNT RECEIVED	EXPENSES PAID	DISTRIBUTION	TRANSFER TO PRE ACCT	
082 LEE COUNTY AL	\$ 858,178.24	\$ (320,525.97)	\$ (177,300.00)	\$ (357,024.40)	3,327.87
088 NASHVILLE MAPLECREST	2,086,562.33	(37,759.45)	(2,036,800.00)		12,002.88
096 WASHINGTON CO - GREENVILLE	189,179.29	(189,179.29)			-
106 METRO NASHVILLE THOMPSON PLACE	1,023,537.02	(18,704.10)	(983,310.00)		21,522.92
117 HOUSTON CO	2,521,934.23	(54,506.98)	(2,461,224.50)		6,202.75
125 HERNANDO CO FL	1,328,102.54	(269,001.45)	(426,290.00)	(630,320.12)	2,490.97
128 TARRANT COUNTY	1,910,057.92	(373,255.07)	(1,069,373.50)	(460,225.97)	7,203.38
148 DADE CITY	617,193.69	(910.45)	(606,624.00)		9,659.24
155 FT PIERCE	2,591,419.03	(247,106.91)	(2,149,155.00)	(190,962.70)	4,194.42
172 PINE BLUFF	401,202.32	(95,751.78)		(304,174.03)	1,276.51
231 NICEVILLE	2,029,406.48	(258,602.78)			1,770,803.70
	<u>\$ 15,556,773.09</u>	<u>\$ (1,865,304.23)</u>	<u>\$ (9,910,077.00)</u>	<u>\$ (1,942,707.22)</u>	

RECEIVERSHIP LOAN TO RECEIVERSHIP TRUST POST 5-18 BANK ACCOUNT	\$ 365,000.00	
LESS ISSUES WITH NEGATIVE BALANCES	(119,340.76)	245,659.24

BOND ISSUES WITH BALANCES OVER \$1,000		
037 NEWTON CO GA		1,225.80

SWEEP INTEREST RECEIVED		63,119.54
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ALL OTHER		657.60
BANK BALANCE AS OF 06-30-06	<u>\$ 2,149,346.82</u>	

